

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Certain Industrial Belts from Germany, Italy, Japan, and Singapore,
Inv. Nos. 731-TA-413-415 and 419 (Review)

On September 3, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(C)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)).

The Commission determined that the domestic interested party group response to its notice of institution was adequate for each of the domestic like products¹ at issue in the orders under review: (1) all V-type power transmission belts; (2) all synchronous-type power transmission belts; (3) all power transmission belts other than V-type and synchronous-type;² and (4) all industrial belts, excluding automotive belts.³ The Commission received responses from four domestic producers regarding these reviews. The responses contained company-specific data for each of these producers, which collectively account for a majority of production of V-type power transmission belts; synchronous-type power transmission belts; and all industrial belts, excluding automotive belts. Although the responses contained company-specific data accounting for less than half of the production of all power transmission belts other than V-type and synchronous-type, the Commission found the response to be adequate.

The Commission also found that the respondent interested party group responses were adequate and voted to conduct full reviews with respect to V-type power transmission belts from Singapore and power transmission belts (V-type, synchronous-type, and all other power transmission belts) from Japan. With respect to the review concerning subject merchandise from Singapore, the Commission received a response from a foreign producer that accounts for all or a substantial share of Singaporean production of the subject merchandise. As to the review concerning subject merchandise from Japan, the Commission received two responses from producers that collectively account for a majority of total production of the subject merchandise in that country.

¹Our examination of these four like products reflects the views of the divided Commission in the original determinations.

²Chairman Lynn M. Bragg and Commissioners Carol T. Crawford and Thelma J. Askey determined that the domestic interested party group response on all power transmission belts other than V-type and synchronous-type was inadequate because this response accounted for substantially less than half of all production of such merchandise. Accordingly, they determined that the domestic interested party group response concerning the order on subject merchandise from Germany was inadequate. With respect to the order covering Japan, Chairman Bragg and Commissioners Crawford and Askey also determined that the domestic interested party group response as to all power belts other than V-type and synchronous-type was inadequate. Nonetheless, they found appropriate circumstances warranting full reviews of all orders, including both Germany and Japan.

³Commissioner Askey notes that the Commission's practice with respect to group adequacy is unnecessary and merely serves to complicate the adequacy analysis. In this determination, she found the various individual responses to be adequate and voted to proceed with full reviews for each order from each country. The group adequacy step was not essential to her decision; it simply serves to create greater inflexibility in voting and unnecessary analytical issues. See, e.g., Elemental Sulfur from Canada, Inv. No. AA1921-127 (Review), USITC Pub. 3152 at 5 n.5 (Jan. 1999).

The Commission further found that the respondent interested party group responses were inadequate with respect to V-type and synchronous-type power transmission belts from Italy, and power transmission belts other than V-type and synchronous-type from Germany, because no responses were received from any respondent interested parties. The Commission nevertheless decided to conduct full reviews in order to promote administrative efficiency in light of its decision to conduct full reviews with respect to V-type power transmission belts from Singapore and V-type power transmission belts, synchronous-type power transmission belts, and all other power transmission belts from Japan. The Commission also voted to conduct full reviews because of potentially significant domestic like product issues.⁴

⁴Commissioner Askey's decision to conduct full reviews was not based on the potential like product issues.